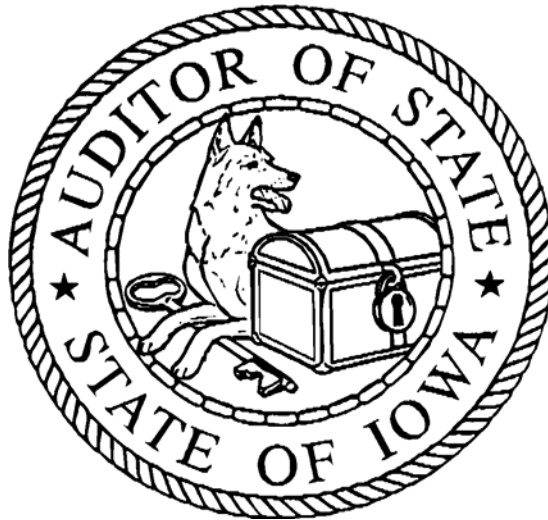


# **AREA EDUCATION AGENCY AUDIT PROGRAM GUIDE SUPPLEMENT**

For the year ended June 30, 2005



DAVID A. VAUDT, CPA  
AUDITOR OF STATE

**Supplement to Area Education Agency Audit Program Guide**

**June 30, 2005**

For the fiscal year ended June 30, 2005, guidance on changes and updates is provided in this 2005 Audit Program Guide Supplement. This supplement should be used in conjunction with the fiscal 2004 Audit Program Guide previously issued by this office.

Also, the 2004 Audit Program Guide previously issued by this office has several references to GASB 34 implementation. This language was not amended with this supplement since some governments may not have implemented or did not fully implement GASB 34 in prior years.

**AREA EDUCATION AGENCY** \_\_\_\_\_**June 30, 2005****AUDIT PLANNING**

<b>PROCEDURE</b>	<b>OBJ.</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARKS</b>
<b><i>GF-1.2 - Insert the following procedure and renumber other steps as appropriate:</i></b>  F. Inquire as to the existence of any attestation engagements, performance audits, or other studies (for example – Federal audits, program audits, IT audits, reviews by state agencies, etc.) that have been performed and determine the current status of any findings or recommendations identified that may directly affect the risk assessment and audit procedures in planning the current audit. (GAS Chapter 4.15)	A				
<b><i>GF-1.6 - Insert the following procedure Y. and renumber other steps as appropriate:</i></b>  Y. Document the auditor's consideration of the risk of material misstatement due to abuse. If indications of abuse exist, plan audit procedures to determine whether abuse has occurred and the effect on the financial statements. (GAS Chapter 4.17b)					

**AREA EDUCATION AGENCY** \_\_\_\_\_**PLANNING CONFERENCE**  
**ENTRANCE****June 30, 2005**ItemsDiscussion***GF 2.2 – Revise F.1. as follows:***Discussed?

F. Auditor's responsibilities for:

1. Obtaining an understanding, testing and reporting on internal controls and compliance with laws and regulations (discussion of par. 4.12 and 4.13 of Government Auditing Standards may be helpful).



**AREA EDUCATION AGENCY \_\_\_\_\_****June 30, 2005**

<b>PROCEDURE</b>	<b>OBJ.</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARKS</b>
<b><u>TRIAL BALANCE</u></b>  <b><i>GF-9.1 – Insert the following procedure in D.2. and renumber other steps as appropriate:</i></b> 2. Determine amounts due to/from Agency Funds are eliminated and recorded as cash adjustments.  <b><i>GF-9.2 – Delete procedure 1.6. and renumber other steps as appropriate.</i></b>  <b><u>INVESTMENTS</u></b>  <b><i>GF-9.10 – Insert revised procedure G. as follows:</i></b> G. Document investment information for footnote disclosure in accordance with GASB 40 as follows: 1. Investments on hand at June 30 should be listed by type and include maturities. 2. Include the appropriate disclosures for the applicable risks: a. Credit risk b. Custodial credit risk c. Concentration of credit risk d. Interest rate risk e. Foreign currency risk  <b><u>CAPITAL ASSETS</u></b>  <b><i>GF-9.19 – Insert revised procedure 3. as follows:</i></b> 3. The Agency complied with Code of Iowa Chapter 273.3(21), requiring approval from the Director of the Department of Education before leasing property belonging to the Agency.  <b><u>LONG-TERM LIABILITIES</u></b>  <b><i>GF-9.24 – Insert revised procedure C.4. as follows:</i></b> 4. Distinguish between: a. Matured portion for retirement or resignation not paid at June 30 for governmental funds. b. Long-term portion 1) due within one year 2) due after one year  <b><i>GF-9.24 – Delete procedure C.5.</i></b>	D				
	E				

**AREA EDUCATION AGENCY** \_\_\_\_\_**June 30, 2005**

<b>PROCEDURE</b>	<b>OBJ.</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARKS</b>
<b><u>DISBURSEMENTS/EXPENDITURES</u></b>					
<b><i>GF-9.33 – Insert revised procedure D.2. as follows:</i></b>					
2. Determine that interest rates paid on stamped warrants are within legally allowable limits as established by the State Rate Setting Committee in accordance with Chapter 74A of the Code of Iowa.					
<b><u>SINGLE AUDIT</u></b>					
<b><i>GF-9.41 – Insert revised procedure A.6. as follows:</i></b>					
6. GAO <u>Government Auditing Standards</u> (the Yellow Book) 2003 revision.					

**AREA EDUCATION AGENCY** \_\_\_\_\_

**June 30, 2005**

## **OPINION, DISCLOSURE AND OTHER REPORT INFORMATION**

**GF-17.2 – Insert page 2 of revised form as follows:**

2. Reliance on opinion of other auditors properly included in the Independent Auditor's Report Y N N/A

3. Supplemental information accompanying basic financial statements (AU 551) (check applicable):

  - ☐ Include "in relation to" opinion.
  - ☐ Disclaim opinion on unaudited information.
  - ☐ Prior year information audited by whom and type of opinion(s) rendered (for multiple opinions, please describe in the space below):
 

<input type="checkbox"/>	2004	AOS	Other auditors	U	Q	D	A
<hr/>							
<input type="checkbox"/>	2003	AOS	Other auditors	U	Q	D	A
<hr/>							
<input type="checkbox"/>	2002	AOS	Other auditors	U	Q	D	A
<hr/>							

**AREA EDUCATION AGENCY** \_\_\_\_\_**June 30, 2005****OPINION, DISCLOSURE AND  
OTHER REPORT INFORMATION**

Y = Yes  
 N = No  
 N/A = Not Applicable

***GF-17.4 – Insert revised form as follows:***

- C. IAR on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards (separately issued F/S):
- |   |   |   |        |
|---|---|---|--------|
| 1. Instances of material non-compliance     | Y | N | GF-12s |
| 2. Instances of non-material non-compliance | Y | N | GF-12s |
| 3. No instances of non-compliance           | Y | N | GF-12s |
| 4. Reportable Conditions                    | Y | N | GF-12s |
| 5. Material Weaknesses                      | Y | N | GF-12s |
- D. IAR on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133:
- |   |               |   |        |
|---|---------------|---|--------|
| 1. Instances of material non-compliance | See next page |   |        |
| 2. Reportable Conditions                | Y             | N | GF-12s |
| 3. Material Weaknesses                  | Y             | N | GF-12s |
- E. Because this audit is being conducted under Chapter 11 of the Code of Iowa, Government Auditing Standards and OMB Circular A-133, users of the report are presumed to be aware of the conditions under which the report is issued, including the requirement of state law requiring the report to be open to the public
- F. Dollar threshold used to distinguish between TYPE A and TYPE B programs      \$ \_\_\_\_\_      GF-12s
- G. AEA qualified as low-risk auditee      Y   N      GF-12s



**AREA EDUCATION AGENCY** \_\_\_\_\_**June 30, 2005****OPINION, DISCLOSURE AND  
OTHER REPORT INFORMATION****SINGLE AUDIT*****GF-17.8 – Insert revised form as follows:*****NOTIFICATION LETTERS** – The following entities are required to receive an audit notification:

All pass-through entities not required to receive a copy of the reporting package (see previous page).

**Circle** applicable agencies:Iowa Dept of Public Safety  
Wallace State Office Building  
LOCALGovernor's Office on Drug Control Policy  
Lucas State Office Building  
1<sup>st</sup> Floor  
LOCALIowa Dept of Human Services  
Division of Fiscal Management  
1<sup>st</sup> floor  
Hoover State Office Building  
LOCALIowa Dept of Education  
Grimes State Office Building  
LOCALIowa Dept of Public Health  
Lucas State Office Building  
LOCALIowa Dept of Natural Resources  
Wallace Building  
LOCALIowa Dept of Elder Affairs  
Clemens Building  
LOCALIowa Dept of Economic Development  
200 East Grand  
Des Moines, IA 50309Iowa Dept of Transportation  
Attn. Tom Devine  
800 Lincoln Way  
Ames, IA 50010Iowa Dept of Public Defense  
Emergency Management Division  
Hoover Building  
LOCAL

List other agencies and their addresses:

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**AREA EDUCATION AGENCY** \_\_\_\_\_**June 30, 2005****INCHARGE REVIEW QUESTIONNAIRE**

<b>QUESTION</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>
<p><b><i>GF-22.1 – Insert revised question 4. as follows:</i></b></p> <p>4. Are you satisfied that the evidence gathered does not disclose suspicion of abuse, fraud, violations of statutory, regulatory and contractual provisions, or other illegal acts other than those noted in the statutory comments of the report?</p>			